

REVENUE DEPARTMENT[701]

Adopted and Filed

Pursuant to the authority of Iowa Code chapter 17A and section 421.14, the Department of Revenue hereby amends Chapter 12, "Filing Returns, Payment of Tax, Penalty and Interest," Iowa Administrative Code.

Notice of Intended Action was published in IAB Vol. XXXI, No. 8, p. 901 on October 8, 2008, as **ARC 7256B**.

The adopted amendment adds new rule 701—12.10(423) pertaining to the statute of limitations on sales and use tax transactions involving the furnishing of lawn care, landscaping, and tree trimming and removal services which occurred more than five years prior to the date of an audit.

This amendment is identical to that published under Notice of Intended Action.

This amendment will become effective January 7, 2009, after filing with the Administrative Rules Coordinator and publication in the Iowa Administrative Bulletin.

This amendment is intended to implement Iowa Code section 423.31 as amended by 2008 Iowa Acts, Senate File 2428, section 23.

The following amendment is adopted.

Adopt the following **new** rule 701—12.10(423):

701—12.10(423) Audit limitation for certain services.

12.10(1) Definitions. For purposes of this rule, the following definitions shall govern:

"Landscaping" means the same as defined in rule 701—26.61(423).

"Lawn care" means the same as defined in rule 701—26.61(423).

"Tree trimming and removal" means the same as defined in rule 701—26.66(423).

12.10(2) Audit limitation for lawn care, landscaping, and tree trimming and removal services. Notwithstanding any other provision of the Iowa Code to the contrary, the department shall not attempt to collect delinquent sales tax or use tax on a transaction involving the furnishing of lawn care, landscaping, or tree trimming and removal services which occurred more than five years prior to the date of an audit. The date an audit will begin is when the department presents notification that the person is being contacted for an audit.

This rule is intended to implement Iowa Code section 423.31 as amended by 2008 Iowa Acts, Senate File 2428, section 23.

[Filed 11/12/08, effective 1/7/09]

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EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 12/3/08.